

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-070-C - ORDER NO. 92-299 ✓
APRIL 23, 1992

IN RE: Application of Global Telcoin,) ORDER
 Inc. for a Certificate of Public) GRANTING
 Convenience and Necessity.) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Global Telcoin, Inc. (Global) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Application was subsequently amended to seek authority to provide confinement facility COCOT services, including interLATA, intraLATA and local "0+" collect calling using store and forward technology. Global's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Global to publish a prepared Notice of Filing and Hearing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing and Hearing was to inform interested parties of Global's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding.

Global complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. After the amended Application was filed a new Notice of Filing and Hearing was published by Global. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on Wednesday, January 15, 1992, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. J. Thornton Kirby, Esquire, represented Global. Carl F. McIntosh, Esquire, represented the Consumer Advocate; Caroline N. Watson, Esquire, represented Southern Bell; and Marsha A. Ward, General Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell introduced a stipulation between Southern Bell and Global which stated that Global agreed not to complete intraLATA calls, except with regard to its prisons, and if intraLATA calls were inadvertently completed Global would reimburse Southern Bell. Hearing Exhibit 1. Further, the two companies agreed that, with regard to its authorized intraLATA calls completed over prison telephones, such calls would be handled over the certificated local exchange carrier's facilities. In addition, the companies agreed that Global would be bound by any Supreme Court Order reversing Commission Order Nos. 91-122 and 91-263. Based upon the representations in this

stipulation, Southern Bell did not actively participate in the hearing.

Global presented the testimony of Scott Burns in support of its Application. Mr. Burns explained Global's request for certification to operate as a reseller of interexchange telecommunications services in South Carolina and the Company's desire to place telephones in inmate facilities. Burns explained that the Company wished to resell intrastate long distance telephone services provided by major nationwide interexchange carriers. Global's service is designed primarily to provide interLATA, interexchange telecommunication services to small and large businesses in South Carolina. It will provide operator service only through facilitating contact with major nationwide interexchange operator carriers or through its own automated voice prompts. Global intends to provide confinement facility COCOT services on a collect basis using store and forward technology. He outlined Global's financial qualifications, background, and technical capabilities. Mr. Burns explained that public convenience and necessity required issuance of Global's requested certificate, particularly because it will serve the public interest by creating greater competition and providing the public with choices.

After full consideration of the applicable law and of the evidence presented by Global, the Consumer Advocate, Southern Bell and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. Global is incorporated under the laws of the State of Alabama and is authorized to do business in South Carolina.
2. Global proposes to operate as a reseller of long distance telecommunications.
3. Global will provide Alternate Operator Services for commercial establishments and collect calling from correctional facilities.
4. Global has the experience, capability, and financial resources to provide the services as described in its application.
5. The Applicant and Southern Bell have entered into the following stipulation:
 - (1) Any grant of authority to resell telecommunications services should clearly be for interLATA services only.
 - (2) If any intraLATA calls are inadvertently completed by the carrier, the carrier should reimburse the LEC pursuant to the Commission's Order in PSC Docket No. 86-187-C.
 - (3) Any authority to provide intraLATA or local calls through its operator services would be limited to confinement facilities only.

- (4) Until a final order is entered in 91-CP-40-2240 (See (5)), to the extent that such limited operator service is authorized to provide intraLATA or local calls, such calls will be handled over the certificated local exchange carrier's facilities. Further, Global Telcoin, Inc. will amend its tariffs to reflect the agreements within Stipulations (3) and (4).
- (5) Should the Commission Order Nos. 91-122 and 91-263 allowing the certification of authority to Pay-Tel Communications, Inc. and Coin Telecommunications Company in PSC Docket No. 90-305-C be reversed by the Supreme Court of South Carolina pursuant to an Order entered in Southern Bell Telephone and Telegraph Company v. The S.C. Public Service Commission, et.al., 91-CP-40-2240, Global Telcoin, Inc. agrees to be bound by such decision. Further, any terms and conditions ordered by the Supreme Court upon Pay-Tel and Coin Telecommunications with regard to authority for operator service to provide intraLATA or local calls will be deemed to be ordered upon Global Telcoin, Inc.
- (6) Applicant does not currently and has no future plans to resell such service described as "a virtual private network offering which utilizes the capacity and software technology of a switched network to enable customers to secure what are essentially private network services."

Such service is currently offered by AT&T as "Software Defined Network," by M.C.I. as "V-Net," by U.S. Sprint as "Virtual Private Network."

The Commission hereby accepts this stipulation.

- (7) The Commission has previously determined in Docket No. 90-305-C that public convenience and necessity has been established for "0+" automated collect calling services on an intraLATA and local basis from confinement facilities.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to Global to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission, and to provide telephones to correction facilities.

2. If Global incidentally or accidentally completes any intraLATA calls, other than those originating from correctional facilities, the LEC shall be compensated by Global as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. The Commission adopts a rate design for Global for its resale services which includes only maximum rate levels for each

tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communication Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts Global's proposed maximum rate tariffs. For its inmate services, the Commission adopts the rates submitted with Global's Application.

4. Global shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Global shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Global's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. For the provision of intrastate telecommunications service Global may only use underlying facility-based carriers that are certified by this Commission to provide such service. Global shall notify the Commission in writing of its underlying carrier(s).

6. Global shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

7. Global is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the telephones in correctional facilities, Global has agreed to abide by the terms of the stipulation set forth herein. Global will amend its tariffs to reflect this stipulation and conclusion no. 9.

9. With regard to its resale services (i.e., not Global's confinement facility payphones), an end user should be able to access another interexchange carrier or operator service provider if they so desire.

10. Based on the foregoing findings and conclusions, the Commission has determined that the tariff proposal of Global should be granted to Global for the provision of "0+" intraLATA and local automated collect calls from confinement facilities only with the \$1.00 surcharge eliminated.

11. The Commission's findings and conclusions in Order No. 91-122 in Docket No. 90-305-C concerning the conditions of provision of this service are pertinent and applicable to Global as set forth herein:

a. Local collect calls should be charged at the LEC rate for a coin call from a confinement facility, plus the operator assistance charge for a local call.

b. The intraLATA collect calls would be billed at the LEC's "0+" rate and that the LEC would receive

compensation at its "1+" Message Toll Service (MTS) rate for the duration of the connection made with the called party whether the call was accepted or not.

12. That Global should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and customer-owned pay telephones only if said property owners have not added said surcharge already. That is, the Company may not add an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been added by the property owners. If such charge is applied however, it should be paid in its entirety to the customer by Global.

13. That Global should be required to provide "tent" cards to hotels and motels for placement next to guest telephones identifying it as a provider of operator service for intrastate interLATA distance calls, and similar stickers for pay phones; and that Global operators should be required to brand all calls identifying Global as the carrier for such call.

14. The findings and conclusions of the Commission in Order No. 91-122, supra, concerning the conditions of certification are pertinent and applicable to Global and shall apply as set forth herein:

a. The Company certified herein shall comply with all Commission guidelines pertaining to the provision of COCOT service as set forth in Docket No. 85-150-C and any other relevant proceedings. Any departure from the

requirements of the guidelines will not be allowed without a specific request for a waiver.

b. Waiver of the guidelines is not to be considered a grant of authority to provide "0+" collect store and forward calling from confinement facilities. Rather, it is merely the authorization to program the facilities so that they may carry such calls once proper certification is given by the Commission for "0+" collect calling from confinement facilities only.

c. Any confinement facility COCOT provider wishing to provide interLATA, intraLATA or local "0+" collect calling using store and forward technology should file an application with the Commission requesting certification to provide any or all of above-mentioned services.

d. That the rates charged for such "0+" collect calls from confinement facilities on a local or intraLATA basis shall be no more than the rates charged by the LEC for local or intraLATA operator assisted calls at the time such call is completed.

e. That the rates charged for "0+" collect calls from confinement facilities on an interLATA basis shall be no more than the rates charged for interLATA operator assisted calls by AT&T Communications at the time such call is completed.

f. A "0+" collect call should only be completed

upon affirmative acceptance of the charges from the called party.

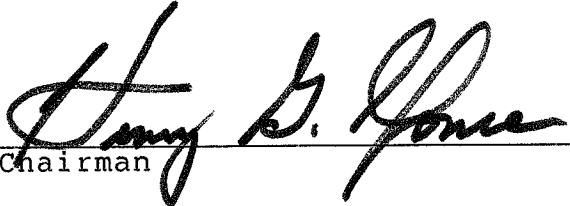
g. Call detail information submitted by the Company to the LEC's for billing must include the COCOT access line number assigned to the line by the local exchange company.

h. The bill provided to the called party should provide the name of the Company and a toll-free number for contacting the Company concerning any billing or service questions.


15. Global shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).